

PIZZA HUT, INC.

12,000 ADDITIONAL SHARES OF COMMON STOCK \$.01 PAR VALUE PER SHARE

In Connection with the Acquisition of the Stock of

HUSKER PIZZA HUT, INC.

Number of Shares of Common Stock Issued and Outstanding on February 6, 1974 3,294,262	Number of Shareholders of Record on February 6, 1974 3,013
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DESCRIPTION OF TRANSACTION

Pizza Hut, Inc. (the "Corporation") proposes to acquire 100% of the issued and outstanding stock of Husker Pizza Hut, Inc., hereinafter called "Seller", which operates 4 Pizza Hut restaurants in Nebraska. Under the terms of the Agreement, Corporation will issue an aggregate of 12,000 shares of its authorized Common Stock, \$.01 par value per share to the shareholders of Seller as follows:

Nancy L. Cohlmiä	2,520 shares
Sammy H. Kouri.....	2,520 shares
Jim E. Cohlmiä	2,520 shares
Reginald V. Boothe	3,480 shares
Charles Leslie	600 shares
William Burkey.....	120 shares
Gary Harlan.....	120 shares
Welden Reiten.....	120 shares

The stock has not been issued and its issuance is contingent upon the New York Stock Exchange, Inc. approving issuance and listing of 12,000 shares. Such shares, when issued, will be legended and the shareholders of Seller will execute investment letters indicating that the shares have been acquired for investment purposes and not with a view to further distribution or resale.

It is the opinion of Corporation's management that the acquisition will complement its restaurant operations as the properties acquired are in the Corporation's major line of business and have been profitable operations. Therefore, the acquisition was deemed favorable to the Corporation and its shareholders, and has been approved by the Corporation's Board of Directors. None of the Corporation's officers, directors or principal stockholders has any direct or indirect beneficial interest in the properties acquired. The terms of this transaction were determined as a result of arm's length negotiations.

The transaction will be treated as a pooling of interests. This treatment has been reviewed by Ernst & Ernst, independent public accountants, and has been approved as being in accordance with generally accepted accounting principles.

RECENT DEVELOPMENTS

There have been no important developments affecting the Corporation or its business, notice of which has not already been released publicly.

AUTHORITY FOR ISSUANCE

On December 17, 1973, the Board of Directors of Corporation approved the Agreements and authorized the issuance of 12,000 shares of Common Stock, \$.01 par value per share of the Corporation pursuant to the terms of the Agreement.

OPINION OF COUNSEL

Messrs. Foulston, Siefkin, Powers and Eberhardt, Suite 600, Fourth National Bank Building, Wichita, Kansas, counsel for Corporation, have rendered their opinion in support of this application to the effect that:

1. The Shares have been duly authorized by the Company and when issued and delivered will be duly issued, valid, fully paid and nonassessable and no personal liability or obligations of the Company will attach to the holders of any such shares under the existing statutes of the State of Kansas, in which the Company's principal place of business is located, or any existing statutes of the State of Delaware, in which the Company is incorporated.

2. Registration under the Securities Act of 1933 of the Shares will not be required because the issuance of such shares will be exempt from registration as not involving any public offering, pursuant to Section 4(2) of the Securities Act of 1933, as amended, and further, all such unregistered shares will be subject to the restriction evidenced by an appropriate legend that the recipient thereof shall not distribute any of such shares until they have been registered under said Act or counsel for the Company is of the opinion that registration is not required.

PIZZA HUT, INC.

ALBERT J. KIRK
Assistant Secretary

The New York Stock Exchange, Inc. hereby authorizes the listing of 12,000 additional shares of Common Stock, \$.01 par value, of Pizza Hut, Inc. upon official notice of issuance pursuant to the acquisition of Husker Pizza Hut, Inc., making a total of 3,635,674 shares of Common Stock authorized to be listed.

MERLE S. WICK, Vice President
Division of Stock List

JAMES J. NEEDHAM, Chairman of the Board
New York Stock Exchange, Inc.

EXHIBITS

The exhibits referred to below constitute an essential part of the application. The statements contained therein are made on the authority of the applicant corporation in the same manner as those in the body of the application.

EXHIBIT A

HISTORY AND BUSINESS OF SELLER

The Seller named in the application is composed of corporations organized under the laws of the State of Nebraska and operates 4 Pizza Hut restaurants pursuant to franchise agreements entered into with Pizza Hut, Inc. There are approximately 40 people employed by Seller.

EXHIBIT B

FINANCIAL STATEMENTS

CERTIFICATE

I, Nancy L. Cohlma, Treasurer of Husker Pizza Hut, Inc. hereby certify that the attached financial statement is true and accurate to the best of my knowledge and belief, and that it was prepared in accordance with generally accepted accounting principles.

In my opinion, the aforementioned financial statement presents fairly the financial position of the above-named corporation at November 30, 1973.

NANCY L. COHLMIA

HUSKER PIZZA HUT, INC.**BALANCE SHEET****November 30, 1973****A S S E T S****CURRENT ASSETS**

Cash in bank	\$ 7,398.84
Cash on hand—change funds	1,200.00
Accounts receivable	798.54
Inventory	7,952.95
Prepaid insurance	2,782.32
Total Current Assets	<u>\$ 20,132.65</u>

PROPERTY AND EQUIPMENT

Restaurant equipment	\$ 73,566.84
Delivery equipment	3,048.50
Leasehold improvements.....	13,547.95
	<u>90,163.29</u>
Less: reserves for depreciation	<u>(6,108.65)</u>
	84,054.64

OTHER ASSETS

Deposits	312.00
Initial franchise fees	15,524.01
Organization expense.....	536.95
	<u>\$120,560.25</u>

LIABILITIES AND STOCKHOLDER'S EQUITY**CURRENT LIABILITIES**

Accounts payable and accrued expenses.....	\$ 34,374.93
Payroll and sales taxes payable	6,102.74
Current portion of long-term debt.....	13,000.00
Total Current Liabilities	<u>53,477.67</u>

Long-term Debt	48,122.80
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STOCKHOLDER'S EQUITY

Capital stock	\$ 10,000.00
Additional paid in surplus	20,000.00
Retained earnings (deficit)	<u>(11,040.22)</u>
	<u>\$120,560.25</u>

HUSKER PIZZA HUT, INC.

INCOME STATEMENT

Eight Months Ended November 30, 1973

INCOME

Sales.....	\$220,217.45
Cost of sales.....	<u>70,008.47</u>
Gross profit.....	150,208.98

OPERATING EXPENSES

Labor, payroll taxes and employee benefits	\$ 71,533.70	
Advertising.....	3,402.76	
IPHFHA fees	2,700.00	
Cleaning and laundry	1,771.48	
Supplies	15,186.39	
Repairs and maintenance	1,078.30	
Utilities	5,530.34	
Telephone.....	2,454.85	
Licenses and fees.....	642.24	
Depreciation and amortization.....	5,252.70	
Rent	16,383.00	
Insurance	1,908.00	
Interest.....	2,556.10	
Delivery expense	5,792.93	
Miscellaneous expense	<u>344.94</u>	<u>136,537.73</u>

	13,671.25
Other Income	<u>1,567.20</u>

	15,238.45
Area Expense	<u>22,322.73</u>

Net Profit (loss)	<u><u>\$ (7,084.28)</u></u>
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